

The Effect of the Information Disclosure in the Propensity of Credit Buying

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ABSTRACT:

The present study aimed to verify the effect of disclosure of credit terms in buying with in the propensity of individuals to consume this credit moderated by the debt literacy and the possibility of cash payment of the respondents. It was conducted an experiment with 3 scenarios for the disclosure of the condition in buying on credit. From the results presented through the tests it was shown that the greater the amount of information the greater propensity of consumption on credit. It was proved that the higher the level of debt literacy the lower the propensity to consume on credit.

Key words: Propensity on Credit Buying; Disclosure Information; Debt Literacy

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1. Introduction

Brazil experienced during the last decade a high growth in the level of indebtedness of the population as a result of a combination of several factors, among which we could highlight the increase of credit supply, high real interest rates and easy credit access to the emerging class consumers that should not have a proper basic financial literacy. Moreover, since the 2008 crisis, the slowdown in economic growth has accelerated the inflation making the real incomes fallen. So it has contributed to the worsening of debt indicators and delinquency. Just to illustrate, according to the Brazilian Central Bank (Central Bank, 2013), the amount of credit reached 50.1 % of the Brazilian GDP, which represents an increase of 9.6 % only in 2012. Other information is that the default of the individual reference credit, which considers more than ninety days late in the debt payment, that reaches 8 % in May 2013, after an increasing by 0.2 percentage points in the month, while the corporations remained stable at 4 1% .

The credit is in an intertemporal exchange where an individual buys something now and the payment is only made in the future (FERREIRA, 2008). For this exchange it is a defined an interest rate cost. As shown by Bolton, Cohen and Bloom (2011), some marketing campaigns are questionable because encourage consumers to rely on what would be deceptive lending practices by encouraging the consumption of the same, by offering credit counseling. In parallel , it is possible to note that it is required by individuals a better understanding for some personal finance concepts because it would be a great benefit in better understanding of how the marketing of credit sales of financial products (marketing debt) can end up harming consumers, resulting in higher levels of debt and default .

In order to identify the effect of advertising in the decision making process of individuals Tonetto (2009) found that the degree of persuasion of individuals exposed to texts that highlight the benefits of using a credit card tends to be greater than the degree of persuasion of a material that celebrates the drawbacks of using cash and checks in relation to credit cards. The author stated that although the contents of the two materials are equivalent, the message generates different levels of persuasion on people because they are configured differently.

As alternatives to a more conscious consumption Bolton, Cohen and Bloom (2011) argue that an intervention at the level of financial literacy, which are given information about loans and financial, can help consumers understand and respond in a better way to consolidate media consolidation credit. So it could reduce the moral hazard in the negotiations where the financials “sell” the idea to postpone the debts would be the remedy for the individual financial health.

In that way, Souza (2013) stated that although there is a clear effort to financially educate the population, little emphasis has been given to predictive and consistent use of credit in cognitive, attitudinal and motivational

consumption factors. Then, a consolidation of financial education is sought as a debt solution; however, we must also consider the other factors affecting the intention to purchase on credit.

Therefore, in order to fill some of the gaps in research on predictors of indebtedness of the population, this article aims to investigate what effect is caused by disclosure of the conditions of credit purchase for a particular product, through different levels, in the propensity of individuals consuming this credit. We also seek to analyze the influence that the debt literacy and purchasing power of individuals have in the propensity of the individual consuming it.

To Tonetto et. al. (2010) argued that the scientific community still lacks theories that serve as the basis for understanding the effects of setting goals (where the configuration of loss seems the most effective, since it tends to generate superior results in studies of persuasive communication) and attributes (which are more favorable compared to positive reviews than negative settings of the attributes under study). So **what is the effect of disclosure of credit terms for buying a certain product in the propensity of individuals to consume this credit?**

The next chapter presents the theoretical framework regarding the process of consumer decision making and the effect of the messages, the support and presentation of the hypotheses proposed in this study. Then we present the method used in the research and the results are reported and, finally, the final considerations of this research.

2. The process of consumer decision making and the effect of the messages

In 1979, Kahneman and Tversky found that individuals have some recurring phenomena such as the effects of certainty, reflection and configuration, when they are in a process of decision making under risk. Those effects violate the understanding that the utility is determined only associated with a possible outcome probability, through a rational decision making. The effect of certainty indicates that people tend to prefer safe results to take risks. The reflection effect shows that in a situation involving gain people tend to take no chances, however, in a situation involving loss, people prefer to risk. The effect of configuration, according to Tversky and Kahneman (1981), refers to the views of people facing decisional tasks as the acts, outcomes and contingencies associated with their choices. The decision, in this view, would be partially controlled by the formulation of the problem. The term configuration is used, according Kühberger (1995), to describe the various ways in decision making, to present situations to decision makers.

Contributing to the studies of consumer decision Kahneman (2002) the two systems by the mental functioning was based, System 1 (intuitive or automatic) and System 2 (deliberate). Such concepts for many psychoanalysts corresponds to the convergence between the psychoanalytical models and economic psychology as

a contribution to theories of individual decision making. For Kahneman (2011), System 1 generates complex patterns of ideas but only the System 2 is able in constructing thoughts in ordered sequences. So, who acts and performs the actions is the first and the second analyzes and plans judgments. Then most of what we think and do has its origin in System 1, and System 2 over when difficulties arise and usually has the last word.

Frisch (1993) proposed that the effect of configuration refers to the fact that individuals respond differently to different descriptions of the same problem. Therefore, by setting different alternatives of the same value is equivalent to the semantic manipulation of surveys for the same situation (Kühberger, 1998), i.e., we highlight those aspects you want to emphasize. To the same effect, Tversky and Fox (1995) pointed out that the effect of setting seems to be conditioned by the magnitude of the probabilities associated with options to select. According to these authors, in cases of high probabilities, individual tend to react aversively to risk if the dilemma is set in terms of gains and the risk. Already in cases that low probability are involved in dilemmas people seek risk in cases of gains and are averse to it in case of losses.

In this sense , from the influence of the setting of advertising messages on a possible consumer credit of individuals , Bolton , Cohen and Bloom (2011) argued that consolidation of the marketing debt (debt Marketing) aims to offer " remedies " to financial consumers through a lot of debt and credit problems who able to drown out the monthly payment of the same . For Perry and Motley (2009), in most cases, loans and lines of credit, as well as ads for mortgages, are usually supported to consolidate debts and generating high levels of debt.

Ganzach Weber & Well Or (1997), for instance, investigated the effect of configuration messages in the field of purchasing behavior. The authors shaped the same message concerning the use of a credit card, in terms of losses and gains. The message set in terms of gains emphasized aspects such as the advantages in the use, protection against loss and benefits in relation to the use of checks. The message set in terms of losses brought the same content but configured differently, instead of emphasizing the advantages in the use, emphasis attributed to the disadvantages of using checks. In natural setting, the setting of loss was more effective as a persuasive communication.

For Mowen and Minor (2003) before the individual stimuli for consumption (goods, services or credit) will turn to a single goal: to consume. Whereas stimuli in advertisements for buying products and credit offer you can check the individual constantly evolvment for purchasing by checking the persuasion that the message may have the propensity of consumers to use the credit offered.

Kamleitner, Hoelzl and Kirchler (2012) identified the main perspectives of the phenomenon of credit use by consumers as being the reflection of the situation, the reflection of the person's cognitive process and social process. On the top of these it is presented the use of credit as a process consisting of the acquisition phase before, during and after. The authors' claim that the largest gaps in research in the area meets the prospect of credit use by consumers as a reflection of the person or of a social process. As an item of social process includes up reference

groups through education of the use of the credit to the population , so financial literacy and its relation to the time before the acquisition of credit, which influence the process of decision making debt .

It is appeared as factors influencing the credit consumption: different government systems and their legislation (Kamleitner , Hoelzl and Kirchler , 2012), education (Williams , Fitzsimons and Block , 2004) , cultural factors and treatments or marketing configurations (Gaurav , Cole and Tobacman , 2011) .

Bolton , Cohen and Bloom (2006) confirmed in their study that the exposure of individuals to an encouraging advertise debt consolidation reduces the perceived financial risk of such an operation , thereby increasing the intentions of the behavior of financial risk , i.e. , consumer products in installments or credit.

H1: The higher the level of information about the conditions of buying on credit, the lower the propensity of individuals to consume this credit.

Bloom, Bolton and Cohen (2010) found few advertisements and advertising loans that mentioned their high and long interest rates interest and the majority emphasized that the monthly payments would be low. Williams, Fitzsimons and Block (2004) argue that when consumers are educated, they could realize that a purposeful questioning may be an attempt at persuasion so their behavior is well attenuated.

Through a field experiment conducted in India by Gaurav, Cole and Tobacman (2011), the authors concluded that, despite the recent financial liberalization in emerging economies, the lack of experience with financial products aggregated to low levels of education and low financial literacy could generate a delay in the adoption of these new products. It was offered rain insurance protection for 600 small farmers in the survey where there was the effect of financial literacy and three treatments or settings of marketing, using a randomized, and consumption of it. It was concluded that financial literacy has a positive effect on the adoption of the insurance, increasing the share from 8 % to 16 %, with only one marketing intervention. This warranty offered would be comparable to a price reduction of approximately 40 %, increasing the demand for seven points.

H2: The relationship between the credit purchase conditions and the propensity for using this credit is moderated by the debt literacy, so that the greater debt literacy, the lower the propensity for consumption on credit.

To Savoia , Saito and Santana (2007) individual need to master a broad set of formal properties that provide a logical and flawless forces influencing the environment and their relationships with others understanding. The domain of these properties is acquired through financial literacy understood as a process of knowledge transmission, which allows the development of skills in individuals. So they can make informed and safe decisions,

like in better managing their personal finances. When such capabilities improve individual become more integrated into society and most active in the financial field, increasing their well-being.

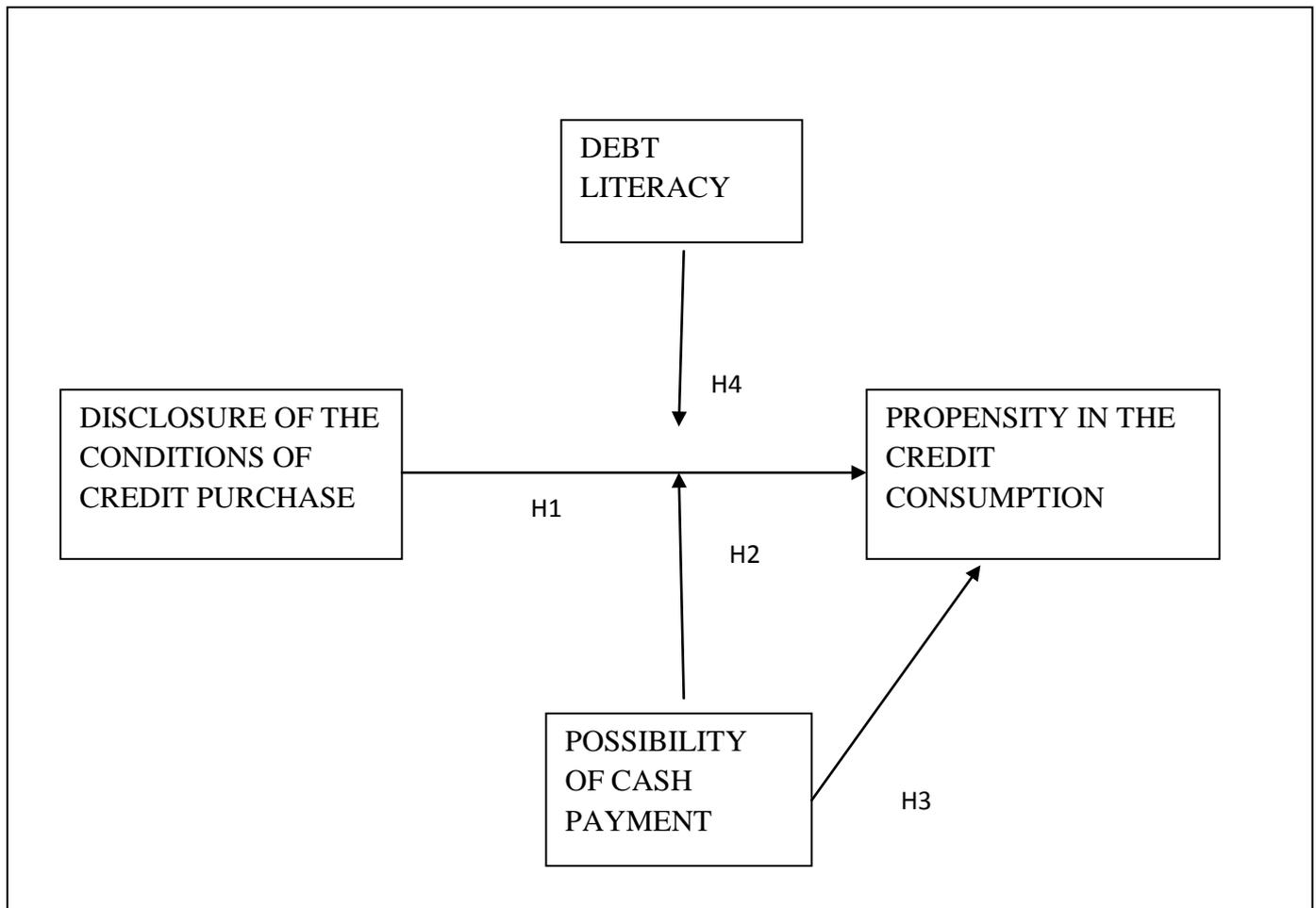
H3: The higher the level of debt literacy, the lower the propensity to consume on credit.

To analyze the relationship between the settings of marketing and consumer propensity of using credit , with the influence of financial knowledge , Diagne and Villa (2012) conducted a study to measure the level of financial education and debt education among people living below the poverty line , where the respondents were asked about their financial literacy and debt levels . Relations between a basic financial education and their education with loans and also the relationship between perceived and actual knowledge and the relationship between financial knowledge and perception of indebtedness were measured. It was concluded that both financial literacy as education about the debts are very low and on those who have a basic financial knowledge does not have a better performance on your debts than others. Predictions that people think they know more than they actually do, i.e., education is not the only variable that influence this relationship were confirmed.

H4: The relationship between the credit purchase conditions and the propensity in the credit consumption is moderated by the possibility of cash payment, so that the higher this possibility, the lower the propensity for credit consumption.

Herzenstein, Sonenshein and Dholakia (2011) examined how identity built in narratives or announcements by borrower's image can influence the decisions of the creditor on personal loans. The authors concluded that the message content plays an important role where those focused on presenting an image of confidence and successful role are associated with increased funding of the loan but, ironically, are less predictive of performance (payment by the debtor) loan compared to other identities, such as moral and economic nature. Thus, some identity claims, which align the advertisements of product sales, are intended to deceive creditors, while others provide true representations of lenders.

Figure 1: Experiment Theoretical Model



3. Methodology

The hypotheses presented in the previous section were investigated through an experiment which aims to analyze the effect of disclosure of credit terms for buying a certain product in the propensity of individuals to consume this credit.

Design and Participants: This experiment was structured as a single- factor design, between- subjects. The individual answered the the survey presented in Annex II, configures with randomized scenarios. The final group has 57 individuals to the treatment group - Group 1, 37 to the control group - group 2 and 48 for the control group - Group 3, totaling 142 people in the sample that has been already validated.

Procedure and Stimulus: People were invited to answer the questionnaire through the internet, where there were allocated randomly scenarios through Qualtrics ® software. It was created three levels of manipulation of the independent variable - see Annex I - (manipulating the information about the conditions of credit purchase in three configurations, as described in Table 1 : - where the treatment group received the "full information" and the control groups the "minimum requirements"; the first one with the legal minimum required in Brazil as defined by Law 5.903/2006, and the second one appeared with the layout of a real propaganda, keeping the external validity of the scenario. The Group 3 also changes for other in the information of the number of installments to be paid by increasing your power, highlighting such information. For Group 1 it was reported all the details concerning the operation of the term, as financial institution information, interest rates and penalties for delays and all the contract clauses. Besides the manipulation of scenarios as independent variables, there is the dependent variable (the propensity in the credit consumption) and two moderators (debt literacy and possibility of cash payment).

Table 1: Independent Variable Manipulation

Credit Purchase Conditions	Full Information – TREATMENT GROUP (1)	Minimum Information – CONTROL GROUPS (2 E 3)
Payment Amount		
Payment Value		
Interest Rate		
Penalties for Delays		
Financial Institution Information		
Contract Clauses		
Contract Clauses for Delays		
Present Value when Discount is Applied		

Measurements: Survey participants should indicate their willingness to purchase the credit of the product across a range of purchase intent, with items with scales from 3 to 7, created by Burton, Garretson and Velliquette (1999). The measure the manipulation check of scenarios about the level of disclosure (“In your opinion, what level of information about installment buying , which appeared the previous ad? ”) it was used a

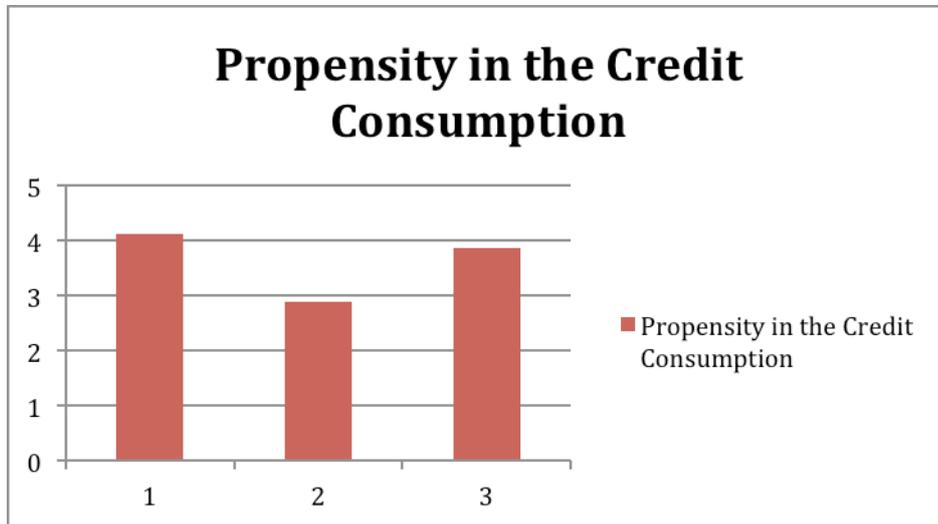
scale from 1 (little information) to 7 points (lot of information). For the moderators measurement it was used: a) a construct that measures the possibility of cash payment "I have money available to make the payment in cash if you really wanted to buy one of the TVs that appear in ad" with a scale from 1 (disagree) to 7 (agree) b) a construct to measure the debt literacy, using an indicator created by Lusardi and Tufano (2009), validated in Brazil by Pepper (2013) and adapted for the present study, that indicates the correctly ability from the consumer to answer questions about interest rates, debt paymen credit card, the card minimum payments and the value of money over time. To measure the level of financial knowledge it is possible to have a maximum number of 3 (high knowledge), 2 (intermediate knowledge), 1 (low knowledge) and 0 (no knowledge).

4. Analysis of Results

Manipulation checks: The respondents who answered the questions for either scenario, group 1, 2 or 3, had a mean perception of the manipulation check and it has very similar handling without significance. Probably this result was obtained because the question appeared on the next screen and the person had no option to go back, this error was not noticed in the pre - tests. Thus, the author decided to exclude cases that did not fully understand the stimulus. After doing this, the questionnaire was validated with a new sample of 36 people in Group 1 (who realized the manipulation above 4 points) and 24 persons in Group 2 and Group 3 with 30 people (with scores below 4 points in the item). Thus, for Group 1 participants the average perception of the full information was significantly higher ($A_{Group 1} = 4.47$) than when participants were subject to the minimum requirements, as commonly advertised on websites, ($A_{Group 2} = 2.83$, $A_{Group 3} = 2.87$, $F(2, 87) = 28.11$, $p < 0.000$). Therefore, for the results of the respondents who demonstrate the manipulation of scenarios from Group 2 and 3 do not show significant variations in perceptions or the information, and only in used source were used.

Propensity to consume on credit: The analysis of variance (ANOVA) was performed to measure the effect of the relationship between the amount of information content to the televisions credit purchase and the propensity in the credit consumption (H1) being significant ($F(2, 87) = 3.00$, $p = 0.05$) as shown in Figure 2. With respect to Group 1 (full disclosure of information) when respondents were exposed to all conditions of credit purchase they had a higher propensity to buy on credit ($A_{Group 1} = 4.12$) at the time the group subjected to the requirements legal minimum had a lowest propensity to credit purchase ($A_{Grupo 2} = 2.89$, $A_{Grupo 3} = 3.86$, $F(2, 87) = 3.00$, $p < 0.05$).

Figure 2: Relationship between the Groups and Propensity in the Credit Consumption



When we analyzed the relationship between the construct debt literacy and the propensity in the credit consumption (H3) we could notice a significant relationship ($F(3, 86) = 1.78$, $p = 0.01$) and it has an inverse relationship between the level 1-2. For individuals with debt literacy (bd) ranging between 0 and 3, there is the average in the propensity of credit consumption (bd= 0 avg = 4.01; bd = 1 avg= 4.14; bd = 2 avg= 3.06, bd= 3 avg= 3.39).

The relationship between the possibility of cash payment and the propensity in the credit consumption was significant with ($F(1, 88) = 25.49$, $p = 0.00$) where the constant ratio is equal to 5.40 and the coefficient of the independent variable (possibility of cash payment) is equal to -0.371 appearing a negative relationship. It is possible to assume that a possibility of cash payment in a smallest scale (1 point) has a higher average for propensity in the credit consumption of 5.03, and on a larger scale (7 points) this average is 2.86.

The relationship between the disclosure of the conditions of credit purchase and the propensity in the credit consumption is moderated by debt literacy, so that the greater financial knowledge, the lower the propensity to consumer credit (H2) in a significant model ($F_{Grupo 1}(3, 32) = 0.228$, $p = 0.876$), ($F_{Grupo 2}(3, 20) = 1.544$, $p = 0.234$), and ($F_{Grupo 3}(3, 26) = 1.741$, $p = 0.183$).

Table 2: Propensity in the credit consumption X debt literacy

		Propensity in the credit consumption		
		Group 1	Group 2	Group 3
<i>Debt Literacy</i>	0	3,74	3,76	4,39
	1	4,29	3,58	4,12
	2	4,10	2,40	2,62
	3	5,0	1,55	5,33

However, the relationship between the disclosure of the conditions of credit purchase and the propensity in the credit consumption is moderated by the possibility of cash payment, so that the higher this possibility the lower the propensity to credit consumption (H4) by significance (FGrupo 1 (6, 29) = 0.768, p = 0.601), (FGrupo 2 (5, 18) = 5.644, p = 0.003) and (FGrupo 3 (5, 24) = 2.603, p = 0.05).

Table 3: Propensity in the credit consumption X possibility of cash payment

		Propensity in the credit consumption		
		Group 1	Group 2	Group 3
Possibility of Cash Payment	1	4,72	5,33	5,29
	2	3,44	-	6,16
	3	4,55	5,33	-
	4	3,83	5,00	1,00
	5	5,11	3,00	4,00
	6	2,00	2,00	2,91
	7	3,60	1,89	3,16

5. Discussion

This study aimed to verify the effect of the disclosure of the conditions of credit purchase and the propensity in the credit consumption, moderated by debt literacy and the possibility of cash payment. Thus, the hypotheses predicted sought that: the higher the level of information about the conditions of credit buying, the lower the propensity of individuals to consume this credit, such a relationship would be moderated by debt literacy, so that the higher the education the lower the propensity to credit consumption, and the possibility of cash payment, so that the higher this possibility, the lower the propensity to consumer credit, in addition to intuit that the higher the level of debt literacy the lower the propensity to credit consumption.

We conducted an experiment handling 3 scenarios for the disclosure of the conditions of credit purchase, which was presented randomly in Group 1 (with full credit information), Group 2 (control with the minimum requirements through a real propaganda) or group 3 (with manipulation of the size of the form of installments, showing the quantity and value of benefits). The sample was randomly selected and, after validated by the manipulation check, resulted in 36 individual in Group 1, 24 individual in Group 2 and Group 3 in 30 individual, totaling 90 people.

From the results presented above for the hypothesis H1 tests were significant, but it was proved that the higher the amount of information greater tendency to credit the consumer. Probably one of the reasons by which we obtained such a result is confidence with the financial institution when full disclosure. That is, in a real scenario (Group 2) the consumer may be less confident in acquiring the credit product.

For H2 the results were not significant in any of the scenarios. Hypothesis H3 is significant so the higher the level of debt literacy, the lower the propensity to credit consumption. The study demonstrated that it has an inverse relationship more noticeable way from level 1 to 2 of the construct.

Finally, to H4, there are significant findings in Group 2 and Group 3 that did not present the amount of manipulation information. Thus, it can be stated that the higher the possibility of a cash payment, the lower the propensity to consumer credit.

These results contribute to the literature of social psychology and marketing, especially related to the need for further studies aimed at understanding the behavior of consumer credit of individuals, their indebtedness and over indebtedness. That is, is it possible to estimate what are the variables that affect the decision making process of credit consumption?

As seen, it is difficult to build a pattern of behavior based only on rational variables, such as the possibility of a cash payment, debt literacy and the disclosure of the conditions of credit purchase. That is, it is assumed that there are other variables that influence such behavior that were not measured in these study, such as behavioral and attitudinal.

From a managerial perspective, this study contributes towards the emerging concern about the population indebtedness. As it is noticed that there are several fronts for businesses and governments acting to

prevent population indebtedness as, for example, do not just educate individuals only if their attitudes are not based solely on their knowledge.

However, it is possible to present some limitations to the study above, like the creation and implementation of the check manipulation, which proved to be not totally efficient, using a measure of financial literacy of the population, rather than debt literacy and manipulating these scenarios with different products, applies it to each individual. However this study proves the importance for further studies that attempt to predict the consumer behavior in credit consumption and debt planning.

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ANNEX I:

Treatment group: Group 1

The screenshot shows the Walmart website interface. At the top, there is a navigation bar with the Walmart logo, user information (Olá, Faça seu login ou cadastre-se), phone number (Telefonadas 3003 6000), and location (Brasil). Below the navigation bar are several promotional banners for electronics, including "Linha LED Smart TV" and "AOC". The main content area displays a grid of TV products. The left sidebar contains filters for "Eletrodomésticos > TV" and "Eletrodomésticos > TV". The product grid shows four items:

(1)	(2)	(3)	(4)
Smart TV 3D LED 47" LG, 47LH4200 - Preto, FullHD, Dual Play, Magic Remote...	Smart TV LED Plus 47" Philips 47PFL6007G/79 Full HD - Conversor Digital Interno...	Smart TV Plus LED 47" Philips 47PFL6007G/79 Full HD - Preto + Suporte Universal	TV Led 55" LG, 55LH9400 - Preto - Full HD, 2 HDMI, 1 USB DivX, SD Engine
R\$ 3.399,00 ou 12x de R\$ 283,25 sem juros	R\$ 2.283,00 ou 12x de R\$ 190,25 sem juros	R\$ 2.233,00 ou 12x de R\$ 186,08 sem juros	R\$ 4.399,00 ou 12x de R\$ 366,58 sem juros

Below the product grid, there is a text box with the following information:

Muita em casa é atraso, até 25% de encargos às taxas de mercado e) Juro de mora à 1% a.a. d) IOf no outro tributo

WMB COMERCIO ELETRONICO LTDA
sede na Avenida Tamboré, nº 267, 8º ao 10º andar
Alphaville, Barretos/SP - CEP 06460-000
Inscrisão no CNPJ/MF sob o nº 14.314.056/0001-58
atendimento@wmb-smart.com.br

Control Group: Group 2

The screenshot shows the Walmart website interface, identical to the one in Group 1. The main content area displays a grid of TV products. The left sidebar contains filters for "Eletrodomésticos > TV" and "Eletrodomésticos > TV". The product grid shows four items:

(1)	(2)	(3)	(4)
Smart TV 3D LED 47" LG, 47LH4200 - Preto, FullHD, Dual Play, Magic Remote...	Smart TV LED Plus 47" Philips 47PFL6007G/79 Full HD - Conversor Digital Interno...	Smart TV Plus LED 47" Philips 47PFL6007G/79 Full HD - Preto + Suporte Universal	TV Led 55" LG, 55LH9400 - Preto - Full HD, 2 HDMI, 1 USB DivX, SD Engine
R\$ 3.399,00 ou 12x de R\$ 283,25 sem juros	R\$ 2.283,00 ou 12x de R\$ 190,25 sem juros	R\$ 2.233,00 ou 12x de R\$ 186,08 sem juros	R\$ 4.399,00 ou 12x de R\$ 366,58 sem juros

Below the product grid, there is a text box with the following information:

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Control group: Group 3

The screenshot shows the Walmart website interface. At the top, there is a navigation bar with the Walmart logo, a search bar, and links for 'Categorias', 'Atendimento', 'Meus Pedidos', and 'MEU CARRINHO'. Below the navigation bar, there are promotional banners for 'TV LED 24" Philco...', 'Linha I FD Smart TV', and 'AOC'. The main content area is titled 'Eletrônicos' and 'TV'. A search filter on the left shows 'TV' selected. The search results are displayed in a grid of four items, each with a product image, description, price, and a 'COMPRAR' button. The items are:

Item	Product Name	Price
(1)	Smart TV LED 40" Philips 47L46200 - Preto - Full HD, Dual Play, Magic Remote...	R\$ 3.399,00 12 x 283,25
(2)	Smart TV LED Plus 47" Philips 47PFL8007G 78 Full HD - Conversor Digital Interno...	R\$ 2.283,00 12 x 190,25
(3)	Smart TV Plus LED 47" Philips 47PFL8007G 78 Full HD Preto - Suporte Universal...	R\$ 2.233,00 12 x 186,08
(4)	TV Led 55" LG 55LJ1000D Preto - Full HD, 2 HDMI, 1 USB DVI, 3D Engine...	R\$ 4.399,00 12 x 366,58

ANNEX II :

QUESTIONNAIRE

Hello ! I would like to invite you (a) to participate in a survey on some aspects of consumer behavior .

No need to be identified at any time . We only ask you to respond with care and sincerity.

SHOW SCREEN WITH THE NOTICE OF GROUP TREATMENT OR CONTROL GROUP

1. Which of the above models would you buy ?

- a. (1);
- b . (Second);
- c . (3);
- d. (4);
- e. None.

2 . Why would you buy this model ?

- Because it is the mark of my preference
- Because it has the attributes I want
- Because it has lower value of the supply
- Because it has lower spot price
- Other

In your opinion , what level of information about installment buying , which appeared in the previous ad?

1 2 3 4 5 6 7

Little information Lots of information

Mark the alternatives according to their behavior to each statement from the ad read, according to the seven-point scale .

a) I have cash available to make the payment in cash, even if you wanted to buy one of the TVs that appear in the ad :

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

b) How willing would you be to purchase the TV in installments ?

1 2 3 4 5 6 7

Unwilling Very provisions

c) Given the announced information , what is the probability that you buy the TV time?

1 2 3 4 5 6 7

low probability high probability

d) When choosing one of the TVs , what are the chances of you buying this piecemeal , given the information presented ?

1 2 3 4 5 6 7

Little chance High chance

Now we ask you to answer some general questions about financial transactions .

Suppose you spent R \$ 1,000.00 on your credit card and your interest rate is 20 % pa If you paid nothing , with this interest rate , how long would it take to double your debt ?

- a) 2 years;
- b) Less than 5 years ;
- c) between 5 and 10 years ;
- d) More than 10 years ;
- e) Do not know ;

You spent \$ 3,000.00 on his credit card . The minimum payment amount is \$ 30.00 per month. With an interest rate of 2 % per month how long it would take for you to settle your debt without any additional expense and paying only the minimum monthly payment ?

- a) Less than 5 years ;
- b) Between 5 and 10 years ;
- c) Between 10 and 15 years ;
- d) Never , you will continue in debt ;
- e) Do not know ;

You have acquired a device in the amount of \$ 1,000.00 . To pay for it , you got the following options : a) pay 12 monthly installments of \$ 100.00 each b) get R \$ 1,000.00 loan at a bank at a interest rate of 20 % per year to pay Store to view and pay R \$ 1,200.00 to the bank in a year . Which option is more advantageous ?

- a) the Option ;
- b) Option b ;
- c) are equal;
- d) Do not know ;

Genre :

- Female
- Female

Put an X in which gap corresponds to their age :

- Less than 20 years
- 20-29 years .

- 30-39 years.
- 40 - 49 years
- 50-59 years.
- Over 60 years

Schooling :

- Primary Education
- High School
- Technical Education
- Higher Education
- Graduate

In which band fits your monthly household income?

- Up to R \$ 1,355.99 ;
- From R \$ 1,356.00 to R \$ 2,711.99 ;
- From R \$ 2,712.00 to R \$ 6,779.99 ;
- From R \$ 6,780.00 to R \$ 13,559.99 ;
- Over R \$ 13,560.00

Thank you for your cooperation!